



Weekly Outlook for Nov. 8 – Nov.12, 2021

SP500 index (E-mini, and SPY)

LONG-TERM and INTERMEDIATE-TERM TREND DIRECTION: up



S&P 500 e-mini futures, Nov. 5, 2021. Weekly bars.

The SP500 index intermediate- and long-term outlook is bullish. The uptrend is strengthened by rallies in numerous individual stocks and industry groups. And this is the most favorable season of the year, with buying strength common from Thanksgiving to Christmas and year-end.

Last week the weekly PMO indicator turned up a little without giving a buying signal for the intermediate term. But the value was above last year's breakout level, which supports the strong intermediate-term outlook.

The weekly slow STO indicator is overbought, but there is no sign of pulling down. Both indicators suggest the market can rally further after it has a brief pullback.

ES - SHORT-TERM TREND DIRECTION: up

Trade strategy: buy on pullback around 20-dEMA at 4550-4500 zone with protective stops



S&P500 e-mini futures Nov. 5, 2021, Daily bars.

SP500 Index (SPX and ES) continued rallying last week and made new all-time highs again. The price action remained bullish all week, but Friday we saw the market open at the high and profit-taking all day into the close.

The 20- and 50-dEMA lines chased the index up, which was quite bullish. Now the 20-dEMA line has risen to 4550 and the 50-dEMA line sits under 4500, which means these two momentum lines will be the current key support zone. Any pullback to these levels is likely to be bought again.

The daily PMO indicator is rocketing up with a buying signal; the daily slow STO indicator has an extremely overbought condition, and stays inside overbought territory. Both indicate that any brief pullback will be brief.

Weekly Option Trading (ES option)

	Strike price	Expiration Date
	4765	
Meanline	4700	11/8/2021
	4520	

2. Oil (\$WTIC, CL)

LONG-TERM TREND is neutral

INTERMEDIATE-TERM TREND DIRECTION: Up with overbought.



Crude oil futures, Nov. 5, 2021. weekly bars

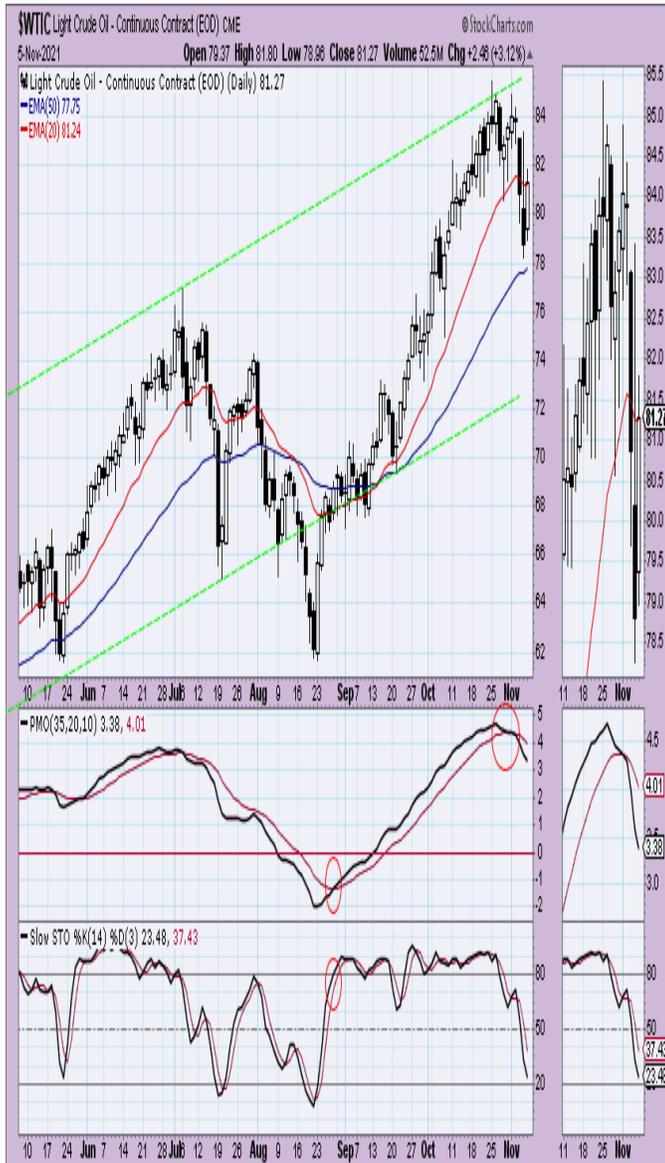
Oil pulled back for a second week. That possibly results from a short-term overbought condition. But the pullback didn't do much damage to the intermediate-term trend which remains up and bullish.

The first intermediate-term support is lying at \$74.37 and we are unlikely to touch it unless oil falls below \$77.50 line.

The weekly PMO indicator remains overbought. Even though it has a buying signal, it is not as strong as before. The weekly slow STO indicator still has an extremely overbought condition. Both show oil needs more time to resolve the overbought condition before it can resume its rally.

OIL - SHORT-TERM TREND DIRECTION: up

Trade strategy: aggressively buy on pullback above \$77.75 with protective stops



Light crude futures, Nov.5, 2021. Daily bars.

Oil made a short-term correction, which appears to have not ended yet.

An “A-B-C” correction pattern is what I expect this time for oil. The first leg down movement should be done, and last Friday's bounce could stop around the 20-dEMA which may be the B top, to be followed by a C leg down.

The C leg low could be either the 50-dEMA line (around \$78) or the bottom of the long-term uptrend channel (around \$73). That would complete the short-term correction and allow the rally to resume.

The 20-dEMA line at \$81.27 will be a key line for this week. Oil could chop around it for few days before resuming its decline. A stay under \$81.30 could lead oil to retest the 50-dEMA line at \$77.75 again.

The daily PMO indicator is declining with a selling signal, and the daily slow STO indicator moved near oversold area, but is not oversold yet. Both hint that oil could decline further.

3. GOLD (GC, GLD)

LONG TERM and INTERMEDIATE-TERM TREND DIRECTION: **neutral**



Gold futures, Nov. 5, 2021. One day bars.

Gold struggled round the 50-wEMA line and finally went up in the last two days. Now the overhead resistance from the long-term downtrend line becomes a key for gold.

If it can clear that resistance near \$1837.50, it can unlock the next move up toward \$1900 – or further.

The weekly PMO indicator stopped declining and moved under the zero value line without a buying signal.

The weekly slow STO indicator remains rising and near the overbought area. Both indicators suggest gold could go either direction, depending on how the market reacts to the overhead resistance line.

GOLD - SHORT-TERM TREND DIRECTION: up

Trade strategy: scalping buy on dip near \$1786 area with protective stops.



Gold futures, Nov. 5, 2021. One day bars.

Gold regained its control of 50-dEMA line after Fed policy announcement on Wednesday.

The price action was bullish in last two days trading, but the closing price still was under long-term downtrend line.

Now the overhead resistance line near \$1837.50 will be a key for this week. Gold needs to overcome it and close above it to go back near \$1900, last June's high area.

If gold fails to do that, but instead moves under \$1780, it will trigger massive selling again.

The daily PMO indicator is rising with a buying signal. The daily slow STO indicator is near the neutral level. Both show that gold has a chance to challenge overhead resistance and move higher.

WEEKLY ECONOMIC REPORT

TIME (ET)	REPORT	PERIOD	ACTUAL	MEDIAN FORECAST	PREVIOUS
MONDAY, NOV. 8					
	None scheduled				
TUESDAY, NOV. 9					
8 am	NFIB small-business index	Oct.	--		99.1
8:30 am	Producer price index final demand	Oct.	--		0.5%
WEDNESDAY, NOV. 10					
8:30 am	Initial jobless claims (regular state program)	Nov. 6	--		N/A
8:30 am	Continuing jobless claims (regular state program)	Oct. 30	--		N/A
8:30 am	Consumer price index	Oct.	--		0.4%
8:30 am	Core CPI	Oct.	--		0.2%
10 am	Wholesale inventories (revision)	Sept.	--		1.1%
2 pm	Federal budget	Oct.	--		-\$284 billion
THURSDAY, NOV. 11					
	Veterans Day holiday: None scheduled				
FRIDAY, NOV. 12					
10 am	Job openings	Sept.	--		10.4 million
10 am	UMich consumer sentiment index (preliminary)	Nov.	--		71.7
10 am	Five-year inflation expectations (preliminary)	Nov.	--		2.9%